

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 1723
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1723 entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Extend the income tax credit program for homeowners who upgrade or convert their cesspool to a septic system, or aerobic treatment system, or connect to a sewage system from to December 31, 2025; and
- (2) Eliminate the geographical limitations for qualified cesspools.

Your Committee received testimony in support of this measure from Ulupono Initiative, three members of the Kauai County Council, one member of the Maui County Council, and one individual. Your Committee received testimony in opposition to this measure from Hawaii Reef and Ocean Coalition. Your Committee received comments on this measure from the Department of Health and Department of Taxation.

Your Committee finds that in 2017, legislation was enacted requiring every cesspool in Hawaii to be upgraded or converted to



a septic system or aerobic treatment system, or connected to a sewerage system, by January 1, 2050. The cesspool conversion tax credit incentivizes homeowners to convert, upgrade, or connect their cesspools.

Your Committee has amended this measure by:

- (1) Removing language that amended the definition of "qualified cesspool" to remove the geographic limitations within that definition; and
- (2) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1723, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



